

claims 1, 62, 65-69, 74-85, and 90-92 under 35 U.S.C. § 103(a) based on the use of Tuck et al. (U.S. Patent No. 6,115,698) as a secondary reference.

As discussed on page 3, ¶ 5, of the outstanding Final Office Action, the Examiner issued a new ground for rejection under the doctrine of obviousness-type double patenting. Specifically, the Examiner provisionally rejected claim 1 as being unpatentable over claim 2 of copending Application No. 09/609,228. In response, Applicant respectfully defers addressing this issue until after the Examiner has acknowledged that claim 1 contains allowable subject matter.

As discussed on pages 4-8, ¶ 5, of the Final Office Action, the Examiner also issued a series of new grounds for rejection under 35 U.S.C. § 103(a) based on Official Notice. In particular, the Examiner rejected claims 1, 62, 65, 68, 69, and 90 under 35 U.S.C. § 103(a) as being unpatentable over by Odom et al. (U.S. Patent No. 6,058,379) in view of the Examiner's decision to take Official Notice of a vast number of claim limitations. Moreover, as discussed on pages 8-12, ¶ 6, of the Final Office Action, the Examiner rejected claims 74-82 under 35 U.S.C. § 103(a) as being unpatentable over Odom et al. in view of in view of the Examiner's new assertions of Official Notice, and further in view of Conklin et al. (U.S. Patent No. 6,141,653). Finally, as set forth on pages 12-12, ¶ 7, of the Final Office Action, the Examiner rejected claims 66, 67, 83-85, 91, and 92 under 35 U.S.C. § 103(a) as being unpatentable over Odom et al. in view of the Examiner's new assertions of Official Notice, and further in view of Smith (U.S. Patent No. 6,502,076).

These grounds for rejection, however, fail to render the claimed invention unpatentable. As discussed throughout the lengthy prosecution of this application, each

of the claims recites specific combinations of features that distinguish the invention from the prior art in different ways. For example, independent claim 1 recites a combination that includes, among other things:

randomly generating an offer to purchase a product or service on the electronic network system at an offer price that is substantially equal to a delivery price associated with sending the offered product or service to the buyer, the delivery price being less than a current value of the offered product or service in a competitive market,

(amended claim 1, ll. 3-7). Independent claim 62 recites another combination that includes, for example,

randomly displaying at least one offer to accept a product or service at an offer price substantially equal to a delivery price of the offered product or service to one or more potential recipients on the electronic network system at an unknown start time, the delivery price being substantially less than a current value of the offered product or service in a competitive marketplace,

(claim 62, ll. 3-7). Independent claim 83 recites yet another combination that includes, *inter alia*,

providing a random frequency device for randomly displaying an offer to one or more potential recipients on the electronic network system to accept a product or service at a price substantially equal to zero, the randomly displayed offer having an unpredictable start time,

(claim 83, ll. 3-7). Finally, independent claim 90 recites a combination of that includes, for instance,

a step for randomly displaying an offer to one or more potential recipients on the electronic network system to accept a product or service at a price substantially equal to zero plus a cost associated with shipping of the product or service to the buyer, the randomly displayed offer having an unpredictable start time,

(claim 90, ll. 3-7). At the very least, Odom et al., the Examiner's assertion of Official Notice, Conklin et al., and Smith all fail to disclose or suggest any of these exemplary features recited in the independent claims.

The Examiner has once again failed to establish a *prima facie* case of obviousness for at least four reasons. First, the Examiner has not demonstrated that Odom et al., the Examiner's assertion of Official Notice, Conklin et al., or Smith, taken alone or in combination, disclose or suggest each and every feature recited in the claims. See M.P.E.P. § 2143 (7th ed. 1998). Second, the Examiner neglected to show the existence of any reasonable probability of success in modifying the applied references to somehow result in the claimed invention. See *id.* Third, the Examiner has not identified any suggestion or motivation, either in the teachings of the applied references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the Odom et al. system in a manner that could somehow result in the claimed invention. See *id.* Finally, the Examiner has not explained how his obviousness rationale could be found in the prior art — rather than a hindsight reconstruction of Applicant's own disclosure. See *id.*

Viewed against this backdrop, each of the Examiner's factual conclusions must be supported by "substantial evidence" in the documentary record. See *In re Lee*, 61 U.S.P.Q.2d 1430, 1435 (Fed. Cir 2002). The Examiner has the burden of documenting all findings of fact necessary to support a conclusion of anticipation or obviousness "less the 'haze of so-called expertise' acquire insulation from accountability." *Id.* To satisfy this burden, the Examiner must specifically identify where support is found within the prior art to meet the requirements of 35 U.S.C. § 103. In this case, however, the Examiner has failed to satisfy his burden of demonstrating how Odom et al., the Examiner's assertion of Official Notice, Conklin et al., and/or Smith, taken alone or in combination with any other prior art reference, can either anticipate or render obvious

each and every one of the limitations present in independent claims 1, 62, 83, and 90, as required by the Manual of Patent Examining Procedure ("MPEP") and Federal Circuit jurisprudence.

As discussed in the Amendments filed on January 20, 2006 and January 4, 2005, Odom et al. discloses a real-time network exchange that allows buyers to electronically and competitively bid on goods and services to reach a market price for purchasing the goods or services and allows the seller to interactively participate in the competitive bidding process. See, e.g., Abstract. Odom et al., however, fails to provide any disclosure whatsoever of the following features of independent claims 1, 62, 83, and 90:

- "randomly generating an offer to purchase a product or service on the electronic network system at an offer price that is substantially equal to a delivery price associated with sending the offered product or service to the buyer, the delivery price being less than a current value of the offered product or service in a competitive market," as recited in independent claim 1;
- "randomly displaying at least one offer to accept a product or service at an offer price substantially equal to a delivery price of the offered product or service to one or more potential recipients on the electronic network system at an unknown start time, the delivery price being substantially less than a current value of the offered product or service in a competitive marketplace," as recited in independent claim 62;
- "providing a random frequency device for randomly displaying an offer to one or more potential recipients on the electronic network system to accept a product or service at a price substantially equal to zero, the randomly displayed offer having an unpredictable start time," as recited in independent claim 83; and
- "randomly displaying an offer to one or more potential recipients on the electronic network system to accept a product or service at a price substantially equal to zero plus a cost associated with shipping of the product or service to the buyer, the randomly displayed offer having an unpredictable start time," as recited in independent claim 90.

Instead, Odom et al. teaches away from the claimed invention by disclosing the use of a competitive bidding process for offering products or services for sale at the highest possible market value. For instance, Odom et al. discloses that:

The potential purchaser may make a bid on an item that is currently being viewed and the information is processed in step 220. Once a bid is selected, the client may be provided with the current highest bid for the item, and a window entering the required information for making a bid. In order to be accepted, the bid must meet certain criteria. For example, the bid must be higher than the current highest bid . . . In another embodiment of the invention, bids are not transmitted to the host if they are irrelevant. Irrelevant bids may be bids that are less than the current 'best' bid.

Col. 6, ll. 21-48 (emphasis added). And, as the Examiner admits:

Odom does not explicitly teach an offer price that is substantially equal to a delivery price associated with sending the offered product or service to the buyer, the delivery price being less than a current value of the offered product or service in a competitive market.

Outstanding Final Office Action at 4. As a result, Odom et al. cannot anticipate or render obvious independent claims 1, 62, 83, and 90, as required by 35 U.S.C. § 103(a).

Moreover, the Examiner's decision to withdraw the Tuck et al. as a secondary reference in favor of taking Official Notice of a vast number of claim limitations is improper and unsupported. For instance, the Examiner states that

Official Notice is taken that the step where an offer price is substantially equal to a delivery price associated with the transaction, the delivery price being less than a current value of the offered product or service in a competitive marketplace is old and well known. For instance when companies like Dell Computers offer their products on sale over the Internet they also offer free delivery of the product. The sale price is below the normal retail price of the product and with free delivery the offer price is less than a current value of the offer product in a competitive marketplace. Such offer prices are an incentive for the customers to purchase the products during the time when the promotion is on,

Id. at 5. The Examiner also states that

Official Notice is taken that the step where an offer price is substantially equal to zero is old and well known. For instance, companies that are about to liquidate their inventors offer prices that are substantially equal to zero in order to liquidate their inventories quickly. Merchants also announce offers of some products for free (for a limited time while quantities last) to attract customers to their store (where customers usually land up purchasing other goods at regular prices). The only significant cost to the buyer is the cost of shipping and handling. Such offer prices are an incentive for the customers to purchase the products during the time when the promotion is on."

Id. at 8. However, Official Notice cannot be applied to such a wide variety of features, which are neither notoriously old, nor well known to one of ordinary skill at the time of the claimed invention. Indeed, one having ordinary skill in the art would not even consider modifying Odom et al. in the manner imagined by the Examiner because Odom et al. teaches away from the claimed invention, as discussed above. The Examiner's rationale is not based solely on facts that are "capable of instant and unquestionable demonstration as being 'well-known' in the art." M.P.E.P. § 2144.03 (7th ed. 1998). According to the Manual of Patent Examining Procedure ("MPEP"), when a rejection is based on facts within the Examiner's personal knowledge, the data used to support that rejection should at least be stated as specifically as possible. See *id.* Instead of doing so, the Examiner provided a classic example of an impermissible hindsight reconstruction of Applicant's own disclosure as a basis to reject the claims under 35 U.S.C. § 103(a). As a result, Applicant has been unfairly denied the opportunity to either address the true merits of the prior art or receive a Notice of Allowance without undue delay.

For at least these reasons, Applicant respectfully challenges the Examiner's repeatedly use of his own uncorroborated personal knowledge as a substitute for issuing a complete Office Action on the merits. Applicant also requests appropriate

identification in the form of a competent prior art reference and corroboration of the Examiner's grounds for invoking Official Notice in the form of a non-final Office Action. In lieu of such a complete Office Action on the merits, Applicants respectfully requests that the Examiner withdraw the outstanding grounds for rejection and place this application in condition for allowance.

Moreover, even if the Examiner could corroborate the outstanding grounds for rejection based on Official Notice, the Examiner's hypothetical arguments cannot overcome the shortcomings of Odom et al. For example, on pages 5 and 8 of the Final Office Action, the Examiner appears to assert that "free delivery" and "liquidation" promotions are old and well known. These hypothetical arguments, however, are devoid of any suggestion of the following features of independent claims 1, 62, 83, and 90:

- "randomly generating an offer to purchase a product or service on the electronic network system **at an offer price that is substantially equal to a delivery price** associated with sending the offered product or service to the buyer," independent claim 1, ll. 3-6 (emphasis added);
- "randomly displaying at least one offer to accept a product or service **at an offer price substantially equal to a delivery price of the offered product or service** to one or more potential recipients on the electronic network system at an unknown start time, the delivery price being substantially less than a current value of the offered product or service in a competitive marketplace," independent claim 62, ll. 3-6 (emphasis added);
- "providing a random frequency device for randomly displaying **an offer** to one or more potential recipients on the electronic network system **to accept a product or service at a price substantially equal to zero**, the randomly displayed offer having an unpredictable start time," independent claim 83, ll. 3-5 (emphases added); and
- "randomly displaying an offer to one or more potential recipients on the electronic network system to accept a product or service **at a price substantially equal to zero plus a cost associated with shipping of**

the product or service to the buyer, the randomly displayed offer having an unpredictable start time,” independent claim 90 (emphasis added).

Instead, the Examiner’s hypothetical arguments teach away from the claimed invention. For instance, the Examiner argues that “when companies like Dell Computers offer their products on sale over the Internet they also offer ***free delivery*** of the product . . . with free delivery the offer price is less than a current value of the offered product in a competitive marketplace.” Final Office Action at 5. By contrast, independent claims 1 and 62 call for “an offer price” that is “***substantially equal to a delivery price***.” And independent claims 83 and 90 call for either “an offer to accept a product or service ***at a price substantially equal to zero***,” or “at a ***price substantially equal to zero plus a cost associated with shipping of the product or service to the buyer***,” respectively. The offer price in the Examiner’s hypothetical arguments are not substantially equal to the delivery price, as recited in independent claims 1 and 62. Nor is the offer price in the Examiner’s hypothetical argument either “substantially equal to zero,” as recited in independent claim 83, or “zero plus a cost associated with shipping,” as recited in independent claim 90. In fact, in the hypothetical Dell promotion identified by the Examiner, the delivery price is zero and the offer price is, admittedly, not substantially equal to zero. As a result, the Examiner’s reliance upon Official Notice, even if supported, cannot render independent claims 1, 62, 83, and 90 unpatentable under 35 U.S.C. § 103(a).

In addition, even if Odom et al. could be properly modified to result in the claimed invention, which it could not, there is no motivation for modifying this reference in the manner imagined by the Examiner. One having ordinary skill in the art at the time of the invention would not even consider making the Examiner’s imagined modification (i.e.,

replacing Odom et al.'s competitive bidding process for offering products or services for sale at the "current highest bid" with either the "zero delivery" Dell Computer promotion, or the "liquidation" promotion imagined by the Examiner) because Odom et al. and the Examiner's own hypothetical arguments both explicitly teach away from the claimed invention. Indeed, the Examiner's fictitious changes would impermissibly: (1) render Odom et al. unsatisfactory for its intended purposes; and (2) change the principles of operation of the Odom et al. system. For instance, the step of offering products or services for sale at a price substantially equal to either zero, or the delivery price, as required by independent claims 1, 62, 83, and 90, is the very antithesis of selling products or services at a "current highest bid" as required by the Odom et al. system. The MPEP specifically states that if the "proposed modification would render the prior art unsatisfactory for its intended purpose" or "change a principle of operation of the prior art invention being modified, then the teachings of the references are not sufficient to render the claims *prima facie* obvious." M.P.E.P. § 2143.01 at 112-13 (7th ed. 1998). Accordingly, it is only through hindsight afforded by Applicant's own disclosure that the Examiner can even assert that the applied references suggest the claimed invention. Such hindsight determinations are impermissible under 35 U.S.C. § 103.

Conklin et al. and Smith also fail to remedy the deficiencies of Odom et al. For example, the Examiner relies upon Conklin et al. to allegedly disclose the existence of "the steps of iteratively negotiating multiple variables, documenting the transaction, providing payment options and transferring the payment amount online." Final Office Action at 9. And the Examiner relies upon Smith solely to purportedly disclose the use of a "random frequency device." *Id.* at 13. Modifying the teachings of Odom et al. with

the Examiner's hypothetical arguments based on Official Notice and the teachings of Conklin et al. and/or Smith thus cannot overcome the shortcomings of Odom et al. discussed above.

For the foregoing reasons, the applied references all fail to disclose or suggest each and every element recited in independent claims 1, 62, 83, and 90. Moreover, claims 63-72, 74-82, 84-89, and 91-96, which each depend upon the independent claims, respectively, recite additional limitations that are neither disclosed nor suggested by any of the cited references, taken either alone or in combination. Thus, the dependent claims are allowable for at least the same reasons discussed above with respect to independent claims 1, 62, 83, and 90.

In view of the foregoing remarks, Applicant respectfully requests reconsideration and reexamination of this application and the timely allowance of all the pending claims. Upon allowance of a generic claim, Applicant respectfully requests rejoinder and allowance of the remaining species claims. Should it be necessary to resolve any additional concerns and expedite the issuance of a Notice of Allowance, the Examiner is invited to contact Applicant's representative at (202) 408-6052.

Please grant any extension of time to the extent required to enter this response and charge any fees required to our Deposit Account No. 06-0916.

Respectfully submitted,

**FINNEGAN, HENDERSON, FARABOW,
GARRETT & DUNNER, L.L.P.**

Dated: August 14, 2006

By: 

Christopher W. Day
Registration No. 43,944